

## Message Text

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PAGE 01 DACCA 02522 221115Z

51

ACTION NEA-10

INFO OCT-01 ISO-00 XMB-02 EB-07 AGR-05 L-02 COME-00 AID-05

OMB-01 TRSE-00 CIAE-00 INR-07 NSAE-00 /040 W

----- 013062

R 221005Z MAY 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 6841

AMCONSUL KARACHI

INFO AMEMBASSY ISLAMABAD

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E.O. 11652: N/A

TAGS: EFIN, EXIM, PK, BG

SUBJECT: DIVISION OF EXIM CREDITS BETWEEN PAKISTAN/BANGLADESH

REF: A. STATE 116597; B. DACCA 2329; C. STATE 106117;

D. DACCA 2125; E. STATE 098714

F. HAMMOND TO STEPANEK MEMO MARCH 4, 1974

1. SUMMARY. A SERIES OF MEETINGS DURING THE PAST WEEK REVEALED THAT BDG ASSUMPTION OF REPAYMENT RESPONSIBILITY FOR EXIM CREDITS MAY TAKE LONGER THAN PREVIOUSLY EXPECTED. PROBLEMS ARE BDG'S LACK OF DOCUMENTATION FOR HOTEL LOAN (1984B) AND AFSAR COTTON MILLS LOAN (2792), AND DIVERSION OF PORTION OF MACHINERY FOR AFSAR. ADDITIONAL DOCUMENTATION AND INFORMATION REQUIRED PRIOR TO FINAL SETTLEMENT. END SUMMARY.

2. EMBOFF CALLED MAY 13 ON MAHBUBAR RAHMAN, GENERAL MANAGER, BANGLADESHCFSHILPA RIN SANGSTHA (BSRS) TO DISCUSS EXIM RELENDING CREDITS. RAHMAN EXPLAINED THAT BSRS IS SUCCESSOR ORGANIZATION TO PICIC; AS SUCH IT IS ONLY CONCERNED WITH THE SUB-LOAN TO AFSAR COTTON MILLS. RAHMAN STATED THERE WERE ACTUALLY TWO REPEAT TWO SUB-LOANS TO AFSAR--ONE FOR APPROXIMATELY \$579,000 AND ONE FOR APPROXIMATELY \$67,000. THE EQUIPMENT PURCHASED

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PAGE 02 DACCA 02522 221115Z

WITH THE \$67,000 SUB-LOAN NEVER ARRIVED IN BANGLADESH,

ACCORDING TO RAHMAN. HE ALSO STATED THAT SOME OF THE EQUIPMENT THAT DID ARRIVE AT CHITTAGONG EITHER ARRIVED IN DAMAGED CONDITION OR WAS DAMAGED SUBSEQUENT TO ARRIVAL. BSRS HAS NO DOCUMENTATION RELATING TO AFSAR LOANS.

3. EMBOFF CALLED MAY 14 ON KAMAL UDDIN, MANAGING DIRECTOR, BANGLADESH SHILPA BANK (BSB) TO DISCUSS RELENDING CREDITS. BSB IS SUCCESSOR ORGANIZATION TO IDBP; AS SUCH IT ADMINISTERS CREDITS NUMBERED 2359(1984-G) AND 2627. MANAGING DIRECTOR CONFIRMED AMOUNTS LISTED IN REF F FOR 2359 AND 2627. HE ALSO PROMISED TO PROVIDE SUB-LOAN REPAYMENT STATUS AS OF DECEMBER 16, 1971.

4. EMBOFF CALLED MAY 19 ON A.H.G. MOHIUDDIN, DEPUTY CHIEF ECONOMIC RESOURCES DIVISION, PLANNING COMMISSION, TO OUTLINE RESULTS OF MEETINGS DESCRIBED PARAS 1 AND 2. MOHIUDDIN REQUESTED COPY LOAN DOCUMENTS FOR AFSAR COTTON MILLS AND DACCA HOTEL LOAN (1984B). IN ADDITION HE ASKED THAT EXIM REDUCE AFSAR LOAN BY \$67,000 BECAUSE MACHINERY NEVER ARRIVED IN BANGLADESH (PARA 1).

5. ACTION REQUESTED - EXIM:

(A) PLEASE PROVIDE COPY OF LOAN AGREEMENT FOR DACCA HOTEL LOAN (1984B).

(B) CONFIRM THAT EXIM NOT WILLING TO ADJUST LOAN AMOUNTS FOR SHIPPING AND/OR WAR DAMAGE.

(C) PROVIDE ANY AVAILABLE INFORMATION ON DIVERSION AFSAR SHIPMENT.

6. ACTION REQUESTED - KARACHI:

(A) PLEASE PROVIDE COPIES OF LOAN DOCUMENTS FOR PICIC SUB-LOANS TO AFSAR COTTON MILLS.

(B) IF ANY PAYMENTS WERE MADE BY AFSAR TO PICIC, PLEASE PROVIDE DATA.

(C) PROVIDE ANY AVAILABLE INFORMATION ON DIVERSION LIMITED OFFICIAL USE

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PAGE 03 DACCA 02522 221115Z

OF AFSAR SHIPMENT.

7. IN VIEW OF DIFFICULTIES OUTLINED ABOVE, PREPARATION OF AGREEMENTS PREMATURE (REF A).  
BOSTER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Reference:** 75 STATE 116597, 75 DACCA 2329, 75 STATE 106117  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DIVISION OF EXIM CREDITS BETWEEN PAKISTAN/BANGLADESH  
**TAGS:** EFIN, PK, BG, XMB  
**To:** STATE KARACHI  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006